

**BOULT
CUMMINGS
CONNERS
& BERRY** PLC

Jon E. Hastings
(615) 252-2306
Fax: (615) 252-6306
Email: jhasting@bccb.com

LAW OFFICES
414 UNION STREET, SUITE 1600
POST OFFICE BOX 198062
NASHVILLE, TENNESSEE 37219

REC'D TN
REGULATORY AUTH.
'00 JUL 11 PM 4 29

OFFICE OF THE
EXECUTIVE SECRETARY
TELEPHONE (615) 244-2582
FACSIMILE (615) 252-2380
INTERNET WEB <http://www.bccb.com/>

July 11, 2000

K. David Waddell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

In re: Application of TTI National, Inc. for Approval of the Transfer of the Long
Distance Customers of Minimum Rate Pricing, Inc. and Discount Call Rating, Inc.
Docket No. 00- 00614

Dear Mr. Waddell:

Enclosed please find the original plus thirteen (13) copies of the TTI National, Inc.'s
Application and Petition for Transfer of Customer Base. Also enclosed is our check in the amount
of \$25.00.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:


Jon E. Hastings

JEH/th

Enclosures

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

In the Matter of

)

)

)

)

)

)

)

)

)

Docket No. 00-00614

Application of TTI National, Inc.

For Approval of the Transfer

of the Long Distance Customers

of Minimum Rate Pricing, Inc. and

Discount Call Rating, Inc.

**APPLICATION AND PETITION FOR TRANSFER
OF CUSTOMER BASE**

Pursuant to Tenn. Code Ann. § 65-4-112, TTI National, Inc. ("TTI") hereby requests the Tennessee Regulatory Authority's (the "Authority") approval for the transfer of the subscribers of National Tele-Communications, Inc., Parcel Consultants, Inc., Minimum Rate Pricing, Inc, and Discount Call Rating, Inc. (collectively, "Minimum Rate Pricing" or "MRP") to TTI National's service. As the Authority has rescinded MRP's authority to provide interexchange service in Tennessee pursuant to Notice of Revocation of Certification of Minimum Rate Pricing, Inc. dated April 27, 1999, such transfer will ensure that remaining customers of MRP continue to receive service at the same rates as, or lower rates than, they were receiving from MRP with no disruption in service.

I. DESCRIPTION OF PETITIONER

TTI is an interexchange carrier authorized to offer intrastate service in Tennessee and in 47 other states. TTI offers switched outbound("1+"), toll free and calling card services,

and currently serves more than 250,000 customers nationwide. TTI's services are marketed primarily to small business and residential customers. TTI is a wholly-owned subsidiary of WorldCom, Inc., a publicly traded company.

II. THE MRP BANKRUPTCY

On February 26, 1999, Minimum Rate Pricing, Inc., Parcel Consultants, Inc. and National Tele-Communications, Inc. each filed voluntary chapter 11 bankruptcy petitions in the United States Bankruptcy Court for the District of New Jersey. On November 3, 1999, Discount Call Rating, Inc. also filed its voluntary chapter 11 petition in the same court. As a result of, *inter alia*, the continued loss in value of MRP's assets, primarily as a result of attrition of MRP's customer base, MRP decided to sell substantially all of its assets pursuant to section 363 of the Bankruptcy Code, 11 U.S.C. §363, at a public auction.

On December 9, 1999, an auction was held at which TTI National and one other party made bids on MRP's assets, including, but not limited to all U.S. based long distance customer accounts which have selected MRP as their provider for outbound and inbound switched services and calling card services. Because TTI National's bid was found to be the highest and best offer for MRP's assets¹, the Bankruptcy Court entered an Order² authorizing the sale of

¹MRP's assets consist of the customer base and a minimal amount of physical assets, consisting of office equipment. All physical assets are located in New Jersey.

²Order Pursuant to Sections 105, 363, 365 and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, and Encumbrances, (ii) Authorizing and Approving the Terms of the Asset Purchase Agreement, (iii) Scheduling Further Hearings to Consider the Assumption and Assignment or Rejection of Certain Executory Contracts and Unexpired Leases and (iv) Authorizing the Exemption of the Sale From Stamp or Similar Taxes (the "Sale Order") The Sale Order is attached as Exhibit 1.

substantially all of MRP's assets, including without limitation, MRP's customer base³, to TTI National, free and clear of all liens, claims and encumbrances.

III. THE SALE ORDER AND PROPOSED CUSTOMER BASE TRANSFER

The Sale Order authorizes a management agreement whereby TTI National, through its designated operator, Asset Recovery Services, Inc., agrees to manage the MRP customer base pending regulatory approval from the Federal Communications Commission (FCC) (now already obtained)⁴ and state regulatory bodies. Once all required regulatory approvals are obtained: 1) TTI National will close on the sale; 2) MRP's customers will be transferred to TTI National's service; and 3) other assets purchased pursuant to the Bankruptcy Court Sale Order will be transferred to TTI National

In the event that the requisite regulatory approvals are not obtained, then, TTI National will not be able to close on the sale, and the management of the MRP customer base would return to MRP. However, because MRP does not have the financial ability or personnel to continue to provide service or manage the customer base, nor does it have a certificate to provide such service in Tennessee, MRP's customers' long distance service would likely be interrupted. Thus, absent Authority action, customers would lose their long distance service

³As of March 2000, MRP's customer base consisted of fewer than 207,000 active customers, with fewer than 3600 such customers located in Tennessee.

⁴ On June 26, 2000, the FCC approved a request for waiver of the rules which would otherwise prevent the simultaneous transfer of MRP's customers to TTI National's service. *In the Matter of Implementation of the Subscriber Carrier Selection Changes Provision of the Telecommunications Act of 1996*, CC Docket No. 94-129, released June 27, 2000. A copy of the FCC Order is attached as Exhibit 2.

provider. Accordingly, TTI National seeks permission to effect a seamless⁵ transition of long distance service for the affected MRP customers.

This transition in service will include appropriate, actual notice to each of MRP's customers, enabling such customers to choose another carrier rather than TTI National. As soon as all requisite state and federal regulatory approvals have been obtained, MRP, in cooperation with TTI National, will send letters to all MRP customers notifying them that MRP will no longer be serving as a domestic presubscribed long distance carrier, and that beginning approximately 30 days after receipt of MRP's letter, all "1+" calls from telephone lines previously served by MRP and calling card calls will be completed by TTI National. The customers will be informed that they will receive the same or better rates and services than those which they were receiving from MRP, without interruption and without need for action. The affected MRP customers will also be reminded that they are under no obligation to take service from TTI National, and that each customer is free to select another company to carry their long distance calls.

Additionally, after customers begin receiving TTI National's service, TTI National will send a "welcome letter" to the affected customers with information concerning TTI National's services and rates⁶. The welcome letter will inform the customer that the customer should not be charged any fee by the local phone company as a result of the change to TTI National, and

⁵MRP's customers are presubscribed to CIC "555", which belongs to MCI WorldCom Network Services, Inc. ("MWNS"). CIC "555" is used to provision originating "1+" services for numerous resellers unaffiliated with MWNS, but is also used to provision service for TTI National. MWNS and TTI National are both wholly-owned subsidiaries of MCI WorldCom, Inc. This coincidence will benefit MRP's customers because it will simplify the process of migrating them to TTI. After regulatory approval is obtained and the MRP customer base is purchased by TTI National, no LEC presubscription changes will be required, as the underlying network service configuration will not change. TTI National, therefore, expects no LEC PIC change charges will apply to the transfer of the MRP customer base.

⁶Both sample letters are included in Exhibit 2.

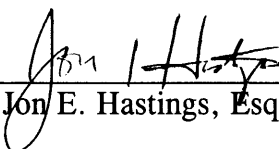
if any such fee is imposed, TTI National will issue a credit for such charge to the customer. The welcome letter will also provide the former MRP customers with an 800 number to assist them if they have any questions regarding the transfer of their service. Finally, the welcome letter will inform the customers that they should contact TTI National with questions concerning MRP service or billing.

IV. REQUEST FOR APPROVAL


Expedited action on this application is requested to help ensure that the affected customers' service remains uninterrupted and that the customers clearly understand available choices. The Authority should, therefore, grant TTI National's request as set forth herein for approval of the transfer of MRP's customer base assets to TTI.

Respectfully submitted,

TTI NATIONAL, INC.

By: 
Jon E. Hastings, Esq.

Boult, Cummings, Conners & Berry PLC
414 Union Street, Suite 1600
Nashville, Tennessee 37219
(615) 252-2306

By: 
Susan Berlin

WorldCom, Inc.
Law and Public Policy
Concourse Corporate Center Six
6 Concourse Parkway, Suite 3200
Atlanta, GA 30328
(770) 284-5491

ATTORNEYS FOR TTI National and
WORLDCOM, Inc.

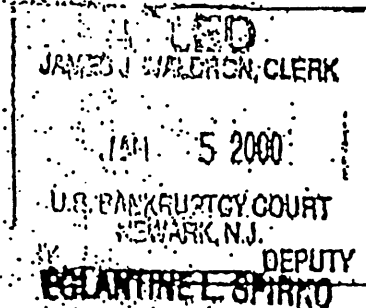
EXHIBIT 1

IT IS THE DIRECTION OF THIS COURT THAT THE
SUCCESSFUL PARTY SERVE A FILED COPY OF THIS
ORDER UPON ALL PARTIES TO THE ACTION.

CHAMBERS COPY

ANGEL & FRANKEL, P.C.
Attorneys for PARCEL CONSULTANTS, INC.,
NATIONAL TELE-COMMUNICATIONS, INC.,
MINIMUM RATE PRICING, INC.,
DISCOUNT CALL RATING, INC.
Debtors and Debtors-in-Possession
460 Park Avenue
New York, New York 10022-1906
(212) 752-8000
Joshua J. Angel, Esq.
Bruce Frankel, Esq.
Rochelle R. Weisburg, Esq.
Robert A. Abrams, Esq.

PASHMAN STEIN, P.C.
A Professional Corporation
45 Essex Street
Hackensack, New Jersey 07601
(201) 488-8200
Louis Pashman, Esq. (LP 1009)
Local Counsel for PARCEL CONSULTANTS, INC.,
NATIONAL TELE-COMMUNICATIONS, INC.,
MINIMUM RATE PRICING, INC.,
DISCOUNT CALL RATING, INC.
Debtors and Debtors-in-Possession



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re:

PARCEL CONSULTANTS, INC.,
NATIONAL TELE-COMMUNICATIONS, INC.,
MINIMUM RATE PRICING, INC., AND
DISCOUNT CALL RATING, INC.,

Debtors.

IN PROCEEDINGS FOR REORGANIZATION
UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE

Hon. Rosemary Ganibardella, Chief Judge

Case No. 99-32133
Case No. 99-32135
Case No. 99-32136
Case No. 99-41890
(Jointly Administered)

ORDER PURSUANT TO SECTIONS 105, 363, 365 AND 1145 OF THE BANKRUPTCY
CODE (i) AUTHORIZING AND APPROVING THE EMERGENCY SALE OF CERTAIN
ASSETS OF THE DEBTORS FREE AND CLEAR OF LIENS, CLAIMS, AND
ENCUMBRANCES, (ii) AUTHORIZING AND APPROVING THE TERMS OF THE
ASSET PURCHASE AGREEMENT, (iii) SCHEDULING FURTHER HEARINGS TO
CONSIDER THE ASSUMPTION AND ASSIGNMENT OR REJECTION OF CERTAIN

EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (iv) AUTHORIZING THE
EXEMPTION OF THE SALE FROM STAMP OR SIMILAR TAXES

Parcel Consultants, Inc., ("Parcel"), National Tele-Communications, Inc. ("NTC"), Minimum Rate Pricing, Inc., ("MRP"), and Discount Call Rating, Inc. ("DCR"), debtors and debtors-in-possession (collectively, "Debtors"), filed on November 4, 1999 in this Court a motion for entry of an order pursuant to Sections 105, 363, 365 and 1146 of the Bankruptcy Code (the "Sale Order") authorizing and approving (i) the emergency sale of certain assets of the Debtors free and clear of liens, claims, and encumbrances, subject to the terms of the asset purchase agreement, (ii) the asset purchase agreement as entered into by the Debtors pursuant to the Auction Procedures (as defined below) for the sale of the assets in whole or in part, (iii) the assumption and assignment of certain executory contracts and unexpired leases and the rejection of others and (iv) the exemption of the sale from stamp or similar taxes (the "Sale Motion"). The Court conducted the hearing on the Sale Motion on December 9, 1999 (the "Sale Hearing"). Having considered the Sale Motion, the pleadings, the arguments and the statements of counsel, the evidence presented at the Sale Hearing, and the record in these proceedings, the Court makes the following findings of fact and conclusions of law and, pursuant thereto, enters the following order:

FINDINGS OF FACT

1. On February 26, 1999 (the "Initial Petition Date"), Parcel, NTC and MRP, and on November 3, 1999, DCR (and together with the Initial Petition Date the "Petition Dates") filed with the Clerk of this Court their respective petitions for relief under chapter 11, title 11, of the United States Code (the "Bankruptcy Code"). All Debtors are now operating their business and managing

their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On March 2, 1999, the Court granted Parcel, NTC and MRP's motion for an order of joint administration pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") providing for the joint administration of these cases and for consolidation for procedural purposes only. By order dated December 3, 1999, the case of DCR was consolidated for joint administration with the cases of the other Debtors.

3. On or about March 19, 1999, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the "Committee").

4. On April 27, 1999, the Court entered a Final Order approving post-petition debtor-in-possession financing (the "Final Order") which financing is being provided to the Debtors by OAN Services, Inc. ("OAN").

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

6. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 105, 363, 365 and 1146 of the Bankruptcy Code and Rules 2002 and 9006 of the Bankruptcy Rules.

7. Venue of the Debtors' chapter 11 cases and the Sale Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

8. Concurrently with the filing of the Sale Motion, the Debtors requested by separate motion (the "Scheduling Motion") that the Court approve (i) the auction procedures annexed thereto as Exhibit A (the "Auction Procedures") in connection with the proposed sale by the Debtors of their assets in whole or in part to one or more bidders; and (ii) the notice of sale hearing in the form

annexed thereto as Exhibit B (the "Sale Hearing Notice") establishing a date, time and place for the Sale Hearing for the Court to consider the approval of (a) the sale of the Acquired Assets (as defined in the Asset Purchase Agreement (as hereinafter defined)) (b) the assumption and assignment or rejection of certain executory contracts and unexpired leases and (c) the exemption of the sale from stamp or similar taxes.

9. On November 5, 1999, the Court signed an order approving the Auction Procedures and scheduling the Sale Hearing (the "Scheduling Order"). Notice of the Sale Hearing was served in accordance with the Scheduling Order.

10. The Debtors notified potential purchasers who had and might have an interest in purchasing the Acquired Assets (the "Qualified Bidders"). The Debtors sent to each Qualified Bidder a copy of a proposed asset purchase agreement (the "Asset Purchase Agreement") for the sale of the Assets, and provided reasonable access to Debtors' books, records and executives to Qualified Bidders for the purpose of conducting due diligence. Any Qualified Bidders desiring to submit a bid at the auction (a "Bid") was required to deliver a Bid, consisting of (a) an executed version of the Asset Purchase Agreement with marked alterations, if desired, (b) an earnest money deposit (the "Earnest Down Payment") equal to 10% of the total proposed purchase price, and (c) an Adequate Assurance Package (as defined in the Auction Procedures) such that the Bid was actually received in writing as particularly set forth in the Scheduling Order not later than 12:00 noon on December 6, 1999.

11. One written bid was received, and an auction was held before this Court on December 9, 1999 commencing at 10:00 a.m. (the "Auction"). During the Auction, each party from whom a Bid was received was given a full opportunity to continue to improve its Bid. As a result of the

Auction, and subject to this Court's approval, the credit bid of Worldcom Network Services, Inc., on behalf of its wholly owned subsidiary, TTI National, Inc., as purchaser (the "Purchaser") in the amount of approximately \$27,500,000, subject to adjustments (the "Purchase Price") for the purchase of substantially all of the assets of the Debtors' estates (the "Acquired Assets"), as defined in the Asset Purchase Agreement was selected by the Debtors, in consultation with representatives of the Secured Creditors (as defined in the Sale Motion), and the Committee of Unsecured Creditors, as the highest and best of the Bids (the "Winning Bid"). Pursuant to the Auction Procedures, following the conclusion of the Auction, the Purchaser and Debtors completed and executed the Asset Purchase Agreement, with such amendments and modifications as reflected on the record of the Sale Hearing, subject to approval of the Bankruptcy Court, a copy of which is attached hereto as Exhibit A.

12. The closing (the "Closing") of the sale of the Acquired Assets to the Purchaser shall occur, in accordance with the terms of the Asset Purchase Agreement (and Auction Procedures) unless the Debtors otherwise agree.

13. Objections to any relief requested by the Sale Motion, other than as related to the assumption and assignment of executory contracts and unexpired leases, were required to set forth in writing with particularity the grounds for such objections or other statements of position and were required to be served by 12:00 noon on December 6, 1999 on (i) the Bankruptcy Court, (ii) counsel for the Debtors, Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022, Attention: Bruce Frankel, Esq. and Rochelle R. Weisburg, Esq. and Pashman Stein, 45 Essex Street, Hackensack, New Jersey 07601, Attention Louis Pashman, Esq., (iii) counsel for OAN, Kaye Scholer Fierman Hays & Handler, 425 Park Avenue, New York, New York 10022, Attention: David

C. Albalah, Esq., (iv) counsel for WorldCom, Klett Lieber Rooney & Schorling, One Oxford Center, 40th Floor, Pittsburgh, PA 15219-6498, Attention: Robert P. Simons, Esq. and Many Emamzadeh, Esq.; (v) counsel for Access, Hahn & Hessen, LLP, 330 Fifth Avenue, New York, NY 10228-0075, Attn: Joshua I. Divack, Esq.; (vi) counsel for The Official Committee of Unsecured Creditors, Riker Danzig, Scherer, Hyland & Perretti, LLP, One Speedwell Avenue, P.O. Box 1981, Morristown, N.J., 07962-1981, Attention: Warren Martin, Esq. and (vii) the United States Trustee, One Newark Center, Suite 2100, Newark, NJ 07102, Attention: Mitchell Hausman, Esq. As of such deadline, no such objections had been received and no objections were filed.

14. As of the date hereof, the Purchaser and the Debtors have not yet determined which of the Debtors' executory contracts or unexpired leases (respectively, the "Contracts" and "Leases") are to be assumed and assigned to the Purchaser pursuant to the Asset Purchase Agreement and in accordance with the Auction Procedures. The Purchaser shall identify the Contracts and Leases to be assumed and assigned to the Purchaser (the "Assumed Agreements") not less than thirty (30) days prior to the closing (as defined in the Asset Purchase Agreement), and the parties to such Contracts and Leases shall receive notice and shall have the right to object as set forth in paragraph 34 hereof.

15. The Debtors are good faith sellers and Purchaser is a good faith purchaser with regard to the Asset Purchase Agreement and the transactions related thereto within the meaning of Section 363(m) of the Bankruptcy Code, and as such the Debtors and Purchaser are entitled to the protections of 363(m). The Asset Purchase Agreement is the product of substantial, extensive and good faith negotiations between the Debtors and Purchaser that were conducted at all times at arm's length and without collusion. The Debtors' management have acted within the scope of and have fulfilled their fiduciary duty on behalf of the Debtors-In-Possession. There is no evidence of conduct that would

permit a finding of lack of good faith in this sale on the part of Purchaser or the Debtors or that would justify setting aside the sale under section 363(n) of the Bankruptcy Code.

16. Approval of the Asset Purchase Agreement, the consummation of the sale of the Acquired Assets contemplated thereby, and the assumption and assignment of the Assumed Agreements, are in the best interests of the Debtors' respective estates. The Court finds that the Debtors have articulated good and sufficient business reasons justifying the sale of the Acquired Assets pursuant to sections 105, 363 and 365 of the Bankruptcy Code. Such business reasons include, but are not limited to, the facts that (a) there is a substantial risk of deterioration of the value of the Acquired Assets if the sale is not consummated quickly; (b) the Asset Purchase Agreement constitutes the highest and best bid for the Acquired Assets; (c) the Asset Purchase Agreement and the closing thereon will present the best opportunity to realize the value of the Debtors on a going concern basis and avoid decline and devaluation of the Debtors' businesses; and (d) any plan of reorganization would have most likely yielded no greater economic result.

17. The transaction reflected in the Asset Purchase Agreement represents the highest and best offered for the Acquired Assets. The consideration to be paid by Purchaser to the Debtors pursuant to the Asset Purchase Agreement is fair and constitutes reasonably equivalent value for the assets proposed to be sold hereunder.

18. All findings of fact which are conclusions of law shall be deemed to be conclusions of law.

CONCLUSIONS OF LAW

19. The Court has jurisdiction of these cases and of the assets of the Debtors and their respective bankruptcy estates under U.S.C. §§ 1334 and 157. The Sale Motion concerns the

administration of the Debtors' estates and approval of the sale of assets of the Debtor's estates and is, therefore, a core proceeding under 28 U.S.C. §§ 157(b)(2)(A), (M), (N) and (O).

20. Good and sufficient notice of the Sale Hearing (including the Auction Procedures) has been given in accordance with the requirements of the Bankruptcy Code and the Bankruptcy Rules, and no other or further notice shall be required except as expressly provided herein.

21. All requirements of Bankruptcy Code section 363(b) and (f), and any other applicable law relating to the sale of the Acquired Assets contemplated by the Asset Purchase Agreement, have been satisfied.

22. Subject to the procedures set forth herein, all requirements of Bankruptcy Code section 365, and any other applicable law relating to the assumption and assignment or rejection, of the Assumed Agreement(s) contemplated by the Asset Purchase Agreement, have been satisfied.

23. The transaction(s) contemplated by the Asset Purchase Agreement have been bargained for and are undertaken by Purchaser and the Debtors at arm's length, without collusion, and in good faith as that term is used in section 363(m) of the Bankruptcy Code, and such parties are entitled to the protections afforded by section 363(m) of the Bankruptcy Code. Purchaser and the Debtors have not engaged in any conduct that would cause or permit the Asset Purchase Agreement to be avoided pursuant to section 363(n) of the Bankruptcy Code. In the absence of a stay pending appeal, if Purchaser elects to consummate the Asset Purchase Agreement at any time after entry of this Order, Purchaser shall be entitled to the protections of section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal.

24. The transaction reflected in the Asset Purchase Agreement represents the highest and best offer for the Acquired Assets.

25. The transfer of the Acquired Assets, and the assumption and assignment of the Assumed Agreements, by the Debtors to Purchaser (a) is or will be a legal, valid, and effective transfer of the Acquired Assets and assumption and assignment of the Assumed Agreements; (b) vests or will vest Purchaser with good title to the Acquired Assets free and clear of all claims encumbrances; and (c) constitutes a transfer for reasonable equivalent value and fair consideration under the Bankruptcy Code.

26. The Debtors' obligations under the Asset Purchase Agreement constitute administrative expenses under sections 503(b) and 507(a)(1) of the Bankruptcy Code and shall be immediately payable if and when the obligations of the Debtors arise under the Asset Purchase Agreement and other related agreements, without further order of the Court.

27. The transfer of the Acquired Assets to Purchaser qualifies for the exception from stamp or similar taxes pursuant to section 1146 of the Bankruptcy Code.

28. All of the provisions of this Order are nonseverable and mutually dependent.

29. All conclusions of law which are findings of facts shall be deemed to be findings of fact.

ORDERS

IN ACCORDANCE WITH THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS HEREBY ORDERED THAT:

30. The relief requested in the Sale Motion (as modified at the Sale Hearing) is granted in all respects.

31. All objections, responses, and requests for continuance, if any, concerning the Sale Motion not resolved by the terms of this Order or a separate order entered contemporaneously herewith or by a stipulation announced on the record of the Sale Hearing and not otherwise withdrawn, waived, or settled, and all reservations of rights therein, are overruled and denied.

32. On or before thirty (30) days prior to the closing of the Asset Purchase Agreement (as defined therein), Purchaser shall identify the Assumed Agreements that it wishes the Debtors to assume and assign to it pursuant to the Asset Purchase Agreement. Purchaser shall serve not less than twenty (20) days notice on the Committee and the parties to such Assumed Agreements containing sufficient information to permit the Court, the Debtors, the Committee, and the applicable lessors and contracting parties to determine the Purchaser's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of Purchaser's ability to perform in the future, as well as the amount of any cure payments based on the Debtors' books and records to be made in connection with the assumption and assignment of the Assumed Agreements (the "Assumption Motion"). Notwithstanding the foregoing, Purchaser may elect to withdraw any Contract or Lease from the Assumption Motion at the Hearing scheduled thereon in which event any such Lease or Contract shall be deemed rejected by the Debtors and not included in the Assumed Agreements. Any party to a contract or lease may seek an order of this Court to compel the assumption or rejection of a Contract or Lease at an earlier date on appropriate notice to the Debtors, the Committee and the Purchaser.

33. The Debtor shall serve notice of this Order and the terms and conditions hereof on all parties to the Contracts and Leases within ten (10) business days of the entry hereof.

34. Objections relating to the assumption and assignment of the Assumed Agreements shall be filed and served so as to be actually received by at least five (5) days prior to the hearing to be scheduled on the Assumption Motion on (i) the Bankruptcy Court, (ii) counsel for the Debtors, Angel & Frankel, P.C., 460 Park Avenue, New York, New York 10022, Attention: Bruce Frankel, Esq., and Pashman Stein, 45 Essex Street, Hackensack, New Jersey 07601, Attention Louis Pashman, Esq., (iii) counsel for the Purchaser, Kleit Lieber Rooney & Schorling, One Oxford Centre, 40th Floor, Pittsburgh, PA 15219-6498, Attention: Many Emamzadeh, Esq., (iv) counsel for OAN, Kaye Scholer Fierman Hays & Handler, 425 Park Avenue, New York, New York 10022, Attention: David C. Albalah, Esq., (v) counsel for Access, Hahn & Hessen, LLP, 350 Fifth Avenue, New York, NY 10228-0075, Attn: Joshua I. Divack, Esq., (vi) counsel for the Official Committee of Unsecured Creditors, Riker Danzig, Scherer, Hyland & Perretti, LLP, One Speedwell Avenue, P.O. Box 1981, Morristown, N.J., 07962-1981, Attention: Warren Martin, Esq. and (vii) the United States Trustee, One Newark Center, Suite 2100, Newark, NJ 07102, Attention: Mitchell Hausman, Esq.

35. If any party to an Assumed Agreement fails to object by such deadline, the Assumed Agreement of such party shall be deemed assumed and assigned, upon and subject to the Closing, without further order of the Court, and the cure amounts, if any, shall be as set forth in the Asset Purchase Agreement and the Assumption Motion.

36. There shall be no reduction in the Purchase Price (as defined in the Asset Purchase Agreement) paid for the Acquired Assets as a result of the filing of any objection as to any Assumed Agreement, regardless of whether such objection has been resolved as of the Closing, and regardless of whether such objection has been upheld on or before the Closing, or is upheld after the Closing.

37. The terms and conditions of the Asset Purchase Agreement and the sale of the Acquired Assets are approved, and subject to paragraphs 32, 34 and 35, the assumption and assignment of the Assumed Agreements pursuant to the Asset Purchase Agreement, and the cure payments proposed to be made with respect thereto, are hereby authorized under sections 105, 363(b), and 365 of the Bankruptcy Code.

38. The Debtors are hereby authorized and directed to execute and deliver the Asset Purchase Agreement and to consummate the sale of the Acquired Assets to Purchaser pursuant to the terms of the Asset Purchase Agreement and the Auction Procedures and the related transactions in connection therewith, and the form and content of the Asset Purchase Agreement and the exhibits attached thereto are approved.

39. The Debtors are authorized and directed to negotiate, execute and deliver such other and further documents as may be necessary or appropriate to implement and consummate the Asset Purchase Agreement.

40. The Debtors are further authorized and directed to perform their respective obligations under the Asset Purchase Agreement and other related agreements and otherwise to consummate all of the transactions contemplated thereby and to take all further actions as may be reasonably requested by Purchaser for the purpose of assembling, transferring, granting or conveying to Purchaser, or reducing to possession, all of the Acquired Assets, or as may be necessary to the performance of the obligations contemplated by the Asset Purchase Agreement.

41. The Debtors and each other Person having duties or responsibilities under the Asset Purchase Agreement, the related agreements, or this Order and their respective directors, officers, general partners, members, agents, representatives, and attorneys, are authorized and empowered to

carry out all of the provisions of the Asset Purchase Agreement and other related agreements; to issue, execute, deliver, file, and record, as appropriate, the related agreements, and to take any and all actions contemplated by the Asset Purchase Agreement, the related agreements, or this Order, and to issue, execute, deliver, file, and record, as appropriate, such other contracts, instruments, releases, indentures, mortgages, deeds, bills of sale, assignments, leases, or other agreements or documents and to perform such other acts and execute and deliver such other documents, as are consistent with, and necessary or appropriate to implement, effectuate, and consummate, the Asset Purchase Agreement, and this Order and the transactions contemplated thereby and hereby, all without further application to, or order of, the Court or further action by their respective directors, or stockholders, and with like effect as if such actions had been taken by unanimous action of the respective directors, or stockholders, of such entities. All such additional agreements, documents, and instruments shall be deemed to be "related agreements" for purposes of this Order. An officer of each of the Debtors shall be, and hereby is, authorized to certify or attest to any of the foregoing actions (but no such certification or attestation shall be required to make any such action valid, binding, and enforceable). The Debtors are further authorized and empowered, but not obligated, to cause to be filed with the secretary of state or other applicable officials of any applicable governmental units any and all certificates, agreements, or amendments necessary or appropriate to effectuate the transactions contemplated by the Asset Purchase Agreement, the related agreements, and this Order, and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units, or as any of the officers of the Debtors may determine are necessary or appropriate. The execution of any such document, or the taking of any such action shall be, and hereby is, deemed conclusive evidence of the authority of such Person to so act.

42. Nothing in this Order purports to excuse Purchaser or any other person or entity from compliance with all applicable state and federal regulatory law.

43. At the Closing (as defined in the Asset Purchase Agreement), all right, title, and interest in and to the Acquired Assets shall be immediately vested in Purchaser free and clear of all liens, claims, interests and encumbrances of any type whatsoever, pursuant to sections 105, 363(b) and (f) of the Bankruptcy Code, except for the lien and claims of OAN Services, Inc. Any Liens and claims on the Acquired Assets shall attach to the proceeds of the sale of the Acquired Assets in order of their priority, to the same extent and with the same validity, force and effect as if such property had not been sold.

44. Distribution of the proceeds, if any, shall be made by Angel & Frankel, P.C. within ten (10) business days after the Closing.

45. All entities in possession of some or all of the Acquired Assets at the Closing are directed to surrender possessions of the Acquired Assets to Purchaser at such Closing.

46. This Order is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, territorial and local officials, and all other persons and entities who may be required by operation of law, and the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Assets.

47. The transfer of the Acquired Assets to Purchaser does not and will not subject the Debtor or Purchaser or their affiliates to any liability for a stamp tax or a similar tax, including,

without limitation, any transfer tax to the fullest extent permitted by section 1146(c) of the Bankruptcy Code.

48. If any person or entity that has filed financing statements or other documents or agreements evidencing liens on or interests in the Acquired Assets shall have delivered to the Debtors prior to the Closing, in proper form of filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all liens or other interests which the person or entity has with respect to the Acquired Assets, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets.

49. Payment of the Debtors' obligations to Purchaser pursuant to the Asset Purchase Agreement constitutes an administrative expense under sections 503(b) and 507(a)(1) of the Bankruptcy Code and are immediately payable if and when the obligations of the Debtors arise under such agreements, without any further order of the Court.

50. All persons are enjoined from in any way pursuing Purchaser or its affiliates to recover any claims which such person has against the Debtors, except with respect to (1) Accepted Liabilities (as defined in the Asset Purchase Agreement), and (2) any claim which is independently assertable against Purchaser or its affiliates.

51. After the Closing Date, the Debtors shall have no liability for the Accepted Liabilities and all persons are enjoined from in any way pursuing the Debtors to recover any claim which such person had against the Debtors in respect of the Accepted Liabilities.

52. The Asset Purchase Agreement and all other documents, agreements, and instruments necessary to effectuate and consummate the transactions contemplated by the Asset Purchase

Agreement, together with the terms and provisions of this Order, shall be binding upon and shall inure to the benefit of the Debtors, Purchaser, and their respective successors and assigns, notwithstanding any subsequent appointment of a trustee for one or more of the Debtors, under any chapter of the Bankruptcy Code, as to which trustee such documents, agreements, and instruments (and the terms and provisions thereof) shall be binding in all respects.

53. The Asset Purchase Agreement may be modified, amended, or supplemented by agreement of the Debtor and Purchaser, with the consent of the Secured Creditors, without further action of the Court, provided that any such modification, amendment, or supplement is not material and substantially conforms to and effectuates the Asset Purchase Agreement.

54. If the Purchaser fails to consummate the purchase of the Acquired Assets, or any part thereof, the offeror of the next highest and best bid (the "Backup Bid") will automatically be deemed to have submitted the highest and best bid, and the Debtors, at their election and in their sole discretion, and such offeror are authorized to effect the sale of the Acquired Assets, or any part thereof, to such offeror as soon as is commercially reasonable but in no event later than March 15, 2000, without further order of the Bankruptcy Court and all references herein to the Winning Bid shall be read to refer to the Backup Bid and all references herein to Purchaser shall be read to refer to the Qualified Bidder that submitted the Backup Bid.

55. If such failure to consummate the purchase is the result of a breach by the Purchaser, the Earnest Down Payment, if any, shall be forfeited to the Debtors and the Debtors shall have the right to seek all available damages from and against the Purchaser.

56. The Debtors are authorized, upon entry of this Order, to return the Earnest Down Payments of all Qualified Bidders other than the Qualified Bidder that submitted the Backup Bid,

with the Earnest Down Payments of the Qualified Bidder who submitted the Backup Bid to be returned no later than five business days after the Closing.

57. The Court retains exclusive jurisdiction to (a) interpret and enforce the provisions of the Asset Purchase Agreement, the Auction Procedures and this Order in all respects, including, without limitation, retaining exclusive jurisdiction to protect the Purchaser against any liability other than the Accepted Liabilities, or related to the Acquired Assets, or otherwise in accordance with the provisions of the Asset Purchase Agreement, and (b) determine or resolve any and all objections to or disputes among the parties to the Asset Purchase Agreement regarding all issues or disputes with respect to the Asset Purchase Agreement, provided, however, that in the event the Court abstains from exercising, or declines to exercise, jurisdiction with respect to any matter referred to in this paragraph or is without jurisdiction, such abstention, refusal, or lack of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter.

58. The failure specifically to include any particular provisions of the Asset Purchase Agreement or related agreements in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Asset Purchase Agreement be authorized and approved in its entirety.

59. As provided by Bankruptcy Rule 7062, this Order shall be effective and enforceable immediately upon entry.

60. Nothing contained in any chapter 11 plan confirmed in these cases or the order confirming any such plan shall conflict with or deviate from the provisions of the Asset Purchase Agreement, the related agreements, or the terms of this Order.

Dated: ~~December~~ Jan 5, 1999

ROSEMARY GAMBARDELLA
CHIEF JUDGE
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 2

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Implementation of the Subscriber Carrier)	
Selection Changes Provisions of the)	CC Docket No. 94-129
Telecommunications Act of 1996)	
)	
MCI WorldCom, Inc.)	
TTI National, Inc.)	
Petition for Waiver)	

ORDER

Adopted: June 26, 2000

Released: June 27, 2000

By the Chief, Accounting Policy Division, Common Carrier Bureau:

I. INTRODUCTION AND BACKGROUND

1. In its *Carrier Change Orders*,¹ the Commission adopted rules applicable to carriers changing a consumer's preferred carrier.² In this Order, we grant MCI WorldCom, Inc. (MCI WorldCom) and its subsidiary, TTI National, Inc. (TTI National), a limited waiver of the authorization and verification requirements of the Commission's rules and *Carrier Change Orders*.³ We grant this limited waiver to the extent necessary to enable TTI National to become

¹ *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996 and Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Further Notice of Proposed Rule Making and Memorandum Opinion and Order on Reconsideration, 12 FCC Rcd 10674 (1997), Second Report and Order and Further Notice of Proposed Rule Making, 14 FCC Rcd 1508 (1998) (*Section 258 Order*); *stayed in part*, *MCI WorldCom v. FCC*, No. 99-1125 (D.C. Cir. May 18, 1999); *First Order on Reconsideration*, FCC 00-135 (released May 3, 2000); *reconsideration pending*; *Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Report and Order, 10 FCC Rcd 9560 (1995), *stayed in part*, 11 FCC Rcd 856 (1995); *Policies and Rules Concerning Changing Long Distance Carriers*, CC Docket No. 91-64, 7 FCC Rcd 1038 (1992), *reconsideration denied*, 8 FCC Rcd 3215 (1993) (*PIC Change Recon. Order*); Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, Phase I, 101 F.C.C.2d 911 (*Allocation Order*), 101 F.C.C.2d 935 (*Waiver Order*), *reconsideration denied*, 102 F.C.C.2d 503 (1985) (*Reconsideration Order*) (the *Reconsideration Order* denied reconsideration of both the *Allocation Order* and the *Waiver Order*). We refer to these orders collectively as the *Carrier Change Orders*.

² 47 C.F.R. §§ 64.1100 - 64.1190.

³ On April 11, 2000, MCI WorldCom, on behalf of its wholly-owned subsidiary, TTI National, filed a Petition for Expedited Waiver of Commission Rules relating to TTI National's acquisition of the customer bases of National Tele-Communications, Parcel Consultants, Inc. Minimum Rate Pricing, Inc., and Discount Call Rating, Inc. (collectively, "MRP") (Waiver Petition).

the preferred carrier of consumers currently presubscribed to MRP without first obtaining the consumers' authorization and verification.

2. Section 258 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, makes it unlawful for any telecommunications carrier to "submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such procedures as the Commission shall prescribe."⁴ The goal of section 258 is to eliminate the practice of "slamming," the unauthorized change of a subscriber's preferred carrier. Pursuant to section 258, carriers are absolutely barred from changing a customer's preferred local or long distance carrier without first complying with the Commission's verification procedures.⁵ In the *Section 258 Order*, the Commission revised its procedures to ensure that carriers obtain the requisite authority prior to changing a customer's preferred carrier. The Commission requires that carriers follow one of the Commission's prescribed verification procedures before submitting carrier changes on behalf of consumers.⁶

3. MCI WorldCom seeks a waiver of our verification rules to allow TTI National to be designated the preferred long distance carrier for customers of MRP without first obtaining each customer's authorization and verification. Because we conclude that, under the circumstances presented, it is in the public interest to grant the waiver, we grant MCI WorldCom a waiver, subject to the conditions represented in its filings.

II. DISCUSSION

4. Generally, the Commission's rules may be waived for good cause shown.⁷ As noted by the Court of Appeals for the D.C. Circuit, however, agency rules are presumed valid.⁸ The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.⁹ In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on

⁴ 47 U.S.C. § 258.

⁵ The Commission's rules and orders clearly contemplate that a switchless reseller may be a customer's preferred carrier. Therefore, changes to a customer's preferred carrier that do not involve a change in the customer's underlying facilities-based carrier are nonetheless subject to the Commission's authorization and verification rules. See *Section 258 Order* at paras. 145-146; *WATS International Corp. v. Group Long Distance (USA), Inc.*, 12 FCC Rcd 1743, 1752 (1997) (citing *PIC Change Recon. Order*, 8 FCC Rcd at 3218).

⁶ Pursuant to these procedures, a carrier must: (1) obtain the subscriber's written authorization; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an independent third party to verify the subscriber's order. See 47 C.F.R. § 64.1150.

⁷ 47 C.F.R. § 1.3.

⁸ *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972).

⁹ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

an individual basis.¹⁰ Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such a deviation will serve the public interest.¹¹

5. We find that MCI WorldCom has demonstrated that good cause exists to justify a limited waiver of the Commission's authorization and verification requirements to the extent necessary to enable TTI National to transfer to its own customer base the MRP customers. In the Waiver Petition, MCI WorldCom states that TTI National will acquire substantially all of the assets of MRP, including, but not limited to, long distance customer accounts, which have selected MRP as their preferred carrier for outbound, inbound, and calling card services. MRP sold its assets to TTI National in a public auction, pursuant to section 363 of the Bankruptcy Code, as a part of its liquidation of assets to satisfy creditors in the ongoing action in bankruptcy.¹² Upon transfer of the affected customers, TTI National will provide intrastate, interstate, and international interexchange services (including calling card services) on a presubscription basis to the former customers of MRP.

6. We conclude that special circumstances exist to justify a waiver. Without this waiver, some former MRP customers might temporarily lose service when MRP ceases to provide service or pay potentially higher casual calling rates. We conclude that a waiver of the Commission's carrier change rules and orders is necessary to provide a seamless transition with no disruption of service to the transferred customers.

7. We find that MCI WorldCom has demonstrated that a limited waiver of the authorization and verification rules is in the public interest because it will prevent consumers from temporarily losing service or paying significantly higher rates, and because TTI National and MRP have agreed to notify the affected customers as described below. MCI WorldCom states that the parties will undertake a two-step process to notify the affected customers of the transaction. In a first letter, MRP, in cooperation with TTI National, will inform customers of the proposed transaction, and assure them that no charges or rate increases will be imposed as a result of the transaction.¹³ MCI WorldCom states that it will also advise the affected customers that they can choose a different preferred carrier, should they desire to do so.¹⁴ In addition, customers will be given a toll-free number to call with any questions they may have about the transition. According to MCI WorldCom, once the proposed sale has been consummated, TTI National will notify these customers of that event and reiterate the foregoing information, assurances, and advice.¹⁵ MCI WorldCom has agreed that, if the Commission waives its rules to

¹⁰ *WAIT Radio*, 418 F.2d at 1157.

¹¹ *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

¹² Waiver Petition at 2.

¹³ MCI WorldCom filed sample notification letters. *See* Waiver Petition, Attachments, Sample Letters (Notification Letters).

¹⁴ Waiver Petition at 3.

¹⁵ *See* Notification Letters.

permit TTI National to provide service to MRP's customers, TTI National will investigate and resolve any outstanding customer complaints regarding services provided by MRP.¹⁶ We conclude that these conditions will adequately protect the rights of the transferred customers of MRP.

8. We note that MRP, the carrier selling its customer base in this instance, has a history of delinquency in its contributions to the Universal Service Fund. Carriers pay into the Fund in order to provide financial support for various programs, including the High Cost, Schools and Libraries, and Rural Health Care programs. These programs were established by the Commission under Section 254 of the Communication Act of 1934, as amended, and are administered by the Universal Service Administration Company, in order to ensure the delivery of affordable telecommunications service to all Americans.¹⁷ While we recognize the undue burden that delinquent carriers like MRP put on the Universal Service Fund, we believe that transferring MRP's customer base to TTI National, a responsible carrier contributing to the Fund as required under the Commission's rules, would be in the public interest.

9. For the foregoing reasons, we grant MCI WorldCom, on behalf of TTI National, a waiver of the authorization and verification requirements of our rules for the limited purposes described above. The grant of this waiver is conditioned upon TTI National and MRP's provision of customer notification and handling of customer complaints, as described above and further detailed in the Waiver Petition.

III. ORDERING CLAUSES

10. Accordingly, pursuant to authority contained in Sections 1, 4, and 258 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154, 258, and the authority delegated under sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. §§ 0.91,

¹⁶ See Waiver Petition at 4.

¹⁷ See, e.g., *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997), as corrected by *Federal-State Joint Board on Universal Service, Errata*, CC Docket No. 96-45, FCC 97-157 (rel. June 4, 1997), *affirmed, reversed, and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999) *motion for stay granted in part* (Sept. 28, 1999), *petitions for rehearing and rehearing en banc denied* (Sept. 28, 1999) (*Universal Service Order*).

0.291, 1.3, the waiver request filed by grant MCI WorldCom, Inc. and its subsidiary, TTI National, Inc., on April 11, 2000, IS GRANTED to the extent indicated herein.

11. IT IS FURTHER ORDERED that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Irene M. Flannery
Chief, Accounting Policy Division, Common Carrier Bureau

MCI WORLD COM

ORIGINAL

1801 Pennsylvania Avenue, N.W.
Washington, DC 20006
202 872 1600

April 11, 2000

DOCKET FILE COPY ORIGINAL

RECEIVED

APR 11 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals, 445 Twelfth Street, SW
Washington, DC 20554

RE: Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, CC Docket No. 94-129; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers; MCI WORLD COM, Inc. Request for Waiver and Expedited Treatment.

Dear Ms. Salas:

Enclosed for filing is an original and four (4) copies of MCI WorldCom, Inc.'s Petition for Expedited Waiver of the Commission's Rules in the above captioned proceeding.

In addition, please stamp the enclosed file copy and return to bearer.

Respectfully submitted,



Elizabeth Yockus
(202) 887-3087

Enclosures

No. of Copies rec'd
List ABCDE

015

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

RECEIVED
APR 11 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Implementation of the Subscriber Carrier)	
Selection Changes Provision of the)	
Telecommunications Act of 1996)	
)	CC Docket No. 94-129
Policies and Rules Concerning)	
Unauthorized Changes of Consumers)	
Long Distance Carriers)	
)	
MCI WORLDCOM, Inc. Request for Waiver)	

**PETITION FOR EXPEDITED WAIVER
OF COMMISSION'S RULES**

Pursuant to §64.1150 of the Commission's rules, prior to submitting a preferred carrier change, carriers must either: (1) obtain the subscriber's written authorization; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an independent third party to verify the subscriber's order.¹ MCI WORLDCOM, Inc. (MCI WorldCom) hereby petitions on behalf of TTI National, Inc. (TTI), a wholly-owned subsidiary of MCI WorldCom, for waiver of the Commission's verification rules to allow it to transfer the subscribers of National Tele-Communications, Parcel Consultants, Inc., Minimum Rate Pricing, Inc. and Discount Call Rating, Inc. (collectively, Minimum Rate Pricing or MRP) to TTI National's customer base without first obtaining each subscriber's authorization and verification.

On February 26, 1999, Minimum Rate Pricing, Inc., Parcel Consultants, Inc. and National Tele-Communications, Inc. each filed voluntary chapter 11 bankruptcy petitions in the United States Bankruptcy

¹ See C.F.R. §64.1150.

Court for the District of New Jersey. On November 3, 1999, Discount Call Rating, Inc. also filed its voluntary chapter 11 petition in the same court. As a result of, *inter alia*, the continued loss in value of MRP's assets, primarily as a result of attrition of MRP's customer base, MRP decided to sell substantially all of its assets pursuant to section 363 of the Bankruptcy Code, 11 U.S.C. §363, at a public auction.

On December 9, 1999, an auction was held at which TTI National and one other party made bids on MRP's assets, including, but not limited to all U.S. based long distance customer accounts which have selected MRP as their provider for outbound (switched), inbound (switched), and calling card services (excluding dial around customers). Because TTI National's bid was found to be the highest and best offer for MRP's assets,² the Bankruptcy Court authorized the sale of substantially all of MRP's assets to TTI National.³

The Sale Order authorizes a management agreement whereby TTI National, through its designated operator, Asset Recovery Services, Inc., agrees to manage the MRP customer base on MRP's behalf, pending regulatory approval from the Commission and state regulatory agencies. Once all required regulatory approvals are obtained, TTI National will close on the sale and the MRP customer base (along with the other assets) will be transferred to TTI National.

The factual circumstances presented by the action in bankruptcy demonstrate that MRP is liquidating all its assets in order to satisfy creditors. No regulatory approvals are required from this Commission in order to transfer the assets to TTI. However, §64.1150 of the Commission's rules requires prior customer consent before a new long distance provider may serve the customer. MCI

² MCI WorldCom has merely purchased the assets of MRP and has no plans to purchase the entire company.

³ United States Bankruptcy Court, Order Pursuant to Sections 105, 363, 365 and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, and Encumbrances, (ii) Authorizing and Approving the Terms of the Asset Purchase Agreement, (iii) Scheduling Further Hearings to Consider the Assumption and Assignment or Rejection of Certain Executory Contracts and Unexpired Leases and (iv) Authorizing the

WorldCom seeks a waiver of this requirement in order to provide seamless service to the MRP customer base. Waiver of the Commission's rules is appropriate if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.⁴ Therefore, in light of the MRP bankruptcy and in order to provide MRP customers with seamless service, MCI WorldCom seeks a waiver of §64.1150 requirements in order to allow the MRP customers to be served by TTI without prior customer approval.

Furthermore, MCI WorldCom, on behalf of TTI, makes the following commitments to administer the transfer of the customer base, ensure that customers are notified of the changes and have an opportunity to change to a long distance provider of their choice. Subsequent to all requisite state and federal regulatory approvals, MRP, in cooperation with TTI National, will send letters to all MRP customers notifying them that MRP will no longer be serving as a domestic presubscribed long distance carrier, and beginning approximately 30 days after receipt of MRP's letter, all "1+" calls from telephone lines previously served by MRP and calling card calls will be completed by TTI National. The MRP customers will be informed that they will receive the same or better rates and services than those which they were receiving from MRP, without interruption and without need for action. The MRP customers will also be reminded that they are under no obligation to take service from TTI National, and that each customer is free to select another company to transmit their long distance calls.

Additionally, after the conversion to the services of TTI National, TTI National will send a "welcome letter" to the affected customers with information concerning TTI National's services and rates. The welcome letter will inform the customer that the customer should not be charged any fee by the local phone company as a result of the change to TTI National, and if any such fee is imposed, TTI National will

Exemption of the Sale From Stamp or Similar Taxes, January 5, 2000 (the "Sale Order").

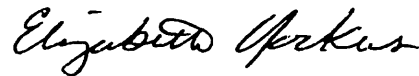
⁴ Northeast Cellular Telephone Co. V. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990); WAIT Radio v. FCC, 418 F.2d 1153, 159 (D.C. Cir. 1969).

issue a credit for such charge to the customer.⁵ The welcome letter will also provide the former MRP customers with an 800 number to assist them if they have any questions regarding the transfer of their service. Finally, the welcome letter will inform the customers that TTI National will investigate, respond to, and attempt to cure any complaints of former MRP customers.

With these commitments, MCI WorldCom's waiver request is fully consistent with the Commission's prior actions granting waivers in similar circumstances. Waiver of the Commission's verification rules in this instance allows TTI National to provide a seamless transition to former MRP customers, while ensuring that the affected customers clearly understand available choices. The Commission should grant MCI WorldCom's request for expedited waiver of the Commission's verification rules delineated in §64.1150 of the Commission rules.

Respectfully submitted,

MCI WORLDCOM, Inc..



Elizabeth Yockus
1801 Pennsylvania Avenue, N.W.
Washington, DC 20006
(202)887-3087

⁵ MRP's customers are presubscribed to CIC "555," which belongs to MCI WorldCom Network Services, Inc. ("MWNS"). CIC "555" is used to provision originating "1+" services for numerous resellers unaffiliated with MWNS, but is also used to provision service for TTI National. MWNS and TTI National are both wholly-owned subsidiaries of MCI WorldCom, Inc. This coincidence will benefit MRP's customers because it will simplify the process of migrating them to TTI. After regulatory approval is obtained and the MRP customer base is purchased by TTI National, no LEC presubscription changes will be required, as the underlying network service configuration will not change. TTI National, therefore, expects no LEC PIC change charges will apply to the transfer of the MRP customer base.

SAMPLE LETTER

IMPORTANT INFORMATION ABOUT YOUR LONG DISTANCE SERVICE

Date

Dear Customer:

Minimum Rate Pricing, Inc., (MRP) will no longer be serving as your domestic presubscribed long distance carrier. MRP has taken the steps necessary to ensure that you will continue to receive quality long distance service at economical prices, without interruption and without any action needed on your part. On (date) or soon thereafter, when you dial "1+" from your telephone line now served by MRP, your long distance calls will be completed by TTI National, Inc. via the MCI WorldCom network. MRP and TTI National have requested FCC approval, and state approval where required, to make this change. Customers who purchase paging service, toll-free service, or calling card(s) from MRP will receive service from TTI National and experience no change to their service at this time. The charges for these services will continue to appear on your monthly invoice as they do today.

We have made arrangements with TTI National to serve in our place by providing intrastate, interstate and international services to satisfy your telecommunications requirements. TTI National soon will be sending you a "welcome" letter and will provide you with information concerning your service.

We are confident that you will be pleased with TTI National as your economic telecommunications provider. Of course, you are under no obligation to take service from TTI National. If you choose, you may select another company to handle your calls. Should you decide for any reason not to stay with TTI National, we recommend that you choose a replacement carrier before (date).

If you have any questions, please call us at 800-xxx-xxxx. Our business hours are 9:00 a.m. until 7:00 p.m., (EST), Monday through Friday.

We thank you for your continued support and your business. We have enjoyed being your service provider.

Sincerely,

Minimum Rate Pricing, Inc.

BY: _____



Welcome To TTI National!

We're delighted to welcome you to TTI National, your new long distance telephone service provider. As announced in previous correspondence, TTI National has replaced Minimum Rate Pricing, Inc., (MRP) as your long distance service provider, offering a convenient package of quality services at very competitive rates. This change will not require your local phone company to make any changes so you should not see any fees applied by your local carrier. However, if a fee is imposed, TTI National will issue a credit for the charge. To request credit, please have your local phone bill handy (showing the PIC Change Charge) and call TTI National Customer Service at 1 800 xxx-xxxx.

Count On Us For Savings. You'll be amazed at what you can save with TTI National. Making a long distance phone call with TTI National is easy, too. Call anywhere in the United States by dialing 1+ area code + number. No special access numbers are needed; current domestic rates are attached. And, if you happen to call internationally, you'll benefit from our low cost, high-quality international outbound service which is available automatically with your TTI National long distance service. (In addition, country-to-country calling overseas, and calling back to the U.S., are available on request.) From TTI National, you will receive rates and services that are the same or better than those which you were receiving from MRP.

We're At Your Service. To confirm that TTI National is your long distance service provider, please dial 1 700 555 4141 (a toll-free call) from all phone lines that have been switched from MRP to TTI National. You should hear a recording that welcomes you to the MCI WorldCom network, which carries TTI National traffic. If you do not hear this message please call TTI National Customer Service at 1 800 xxx-xxxx.

The professional customer service team at TTI National is equipped to assist you with questions about your new long distance service or monthly billing. Should you require assistance with any previous MRP services or past MRP billing issues, please contact TTI National Customer Service at 1-800-xxx-xxxx.

Once again, we're delighted to welcome you to TTI National, your single source for reliable communications services at outstanding savings. We appreciate your business, and look forward to serving you for many years to come.

Sincerely,

A handwritten signature in cursive script, appearing to read "George P. Hampton".

George Hampton
Vice President

See reverse side